GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5427
ANSWERED ON:22.12.2000
CLOSURE OF OTC EXCHANGE
DR. KIRIT SOMAIYA

Will the Minister of FINANCE be pleased to state:

(a) whether NSC has withdrawn from running the Over the Counter Exchange of India;

(b) if so, the reasons therefor;

(c) whether small investors have lost thousands of crores of their savings due to the closure of OTC Exchange of India; and

(d) if so, the remedial measures taken in this regard;

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (BALASAHEB VIKHE PATIL)

(a) & (b) The National Stock Exchange (NSE) has intimated that NSE is neither a promoter nor a shareholder of Over the Counter Exchange of India (OTCEI). However, on the request of OTCEI, NSE had deputed an officer to revamp the systems and for technology up-gradation of OTCEI. On completion of this specific assignment, the officer has returned to NSE.

(c) & (d) : The Securities and Exchange Board of India has intimated that there is no proposal to close down the OTCEI. So far 115 small to medium cap companies have raised equity to the extent of Rs. 342.52 crore through the exchange and 114 companies continue to be listed on the Exchange. The market capitalisation of these companies as on 31st October, 2000 is Rs.388.64 crore.